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PRIMARYLY RELIGION AND CHURCH

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PRIMARYLY INTERNATIONAL RELATIONS

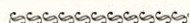
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PRIMARILY RELIGION AND CHURCH



Basis of Business Interest in Religion

THE FIRST INGREDIENT in business is the people who participate in it. Business has become increasingly complex not only in its various ramifications but in the machinery and processes which are used. This requires on the part of the average factory worker, for example, a much higher level of intelligence than was necessary 50 and 100 years ago. To supply workers who possess this intelligence, industry must depend upon the schools, using as its raw product labor which is the finished product of our educational institutions.

High intelligence, however, is not alone sufficient. Without character — without standards as to what is right and wrong — economic chaos instead of economic progress might be the result. The supplying of standards of what is right and what is wrong must, to a very large extent, depend upon the Church. Only recently a visitor — a leading Japanese business executive — stated that he and other older business executives in Japan are very much concerned over one effect of World War II; namely, the almost complete disregard of religious leadership in Japan. Young people of Japan are not being given adequate standards as to what is right conduct and what is wrong conduct.

In fact our churches might apply some such standard to themselves. We all know, for example, that individual workmen may become sick and miss work for that good reason. On the other hand, we know that people do not all get sick at once. Several times in the past few years we have had instances where hundreds or thousands of workers have collectively absented themselves from work, saying they were doing so because they were "sick." I know, however, of no church condemnation, Catholic, Jewish or Protestant, of this form of mass hypocrisy.

Industry is likewise interested in the application of moral concepts

because of the very nature of business transactions. Most of these transactions are based on contracts, verbal or written, expressed or implied. One of the duties of Government is to enforce contracts, thus providing for protection against their violation. Fortunately, however, only a very small percentage of contracts must be brought to the courts. The reason they do not need to be brought to the courts is that people as a whole live up to their agreements. They know it is right and proper that they should do so and they know this because they have a standard of what is right. Some years ago, a book written with the title "The Promises Men Live By" pointed out that if we did not have general conformance to agreements, we simply could not carry on the kind of social and economic system which has been developed in this country.

Another basis of business interest — or I should say interest of business executives — in the churches is the kindred essential philosophy. In 1940 the National Association of Manufacturers established an Economic Principles Commission, composed of a group of economists and business executives, which, after six years, published a two-volume work called "The American Individual Enterprise System." Please note that title. It was only after months of deliberation that the members of that commission decided this phrase — The American Individual Enterprise System — best described the kind of economic system which we have in the United States.

Christianity is based on the dignity of the individual human being, on the unique worth of the individual. In other words, both our economic system and our basic religious institutions are keyed to the importance of the individual. Because of this parallel basis, mutual understanding between religious leaders and business leaders is highly desirable. Each should endeavor to understand the aims, principles and accomplishments of the other. (Cleveland)

* * *

From a survey of particular aspects of this country's economic system we might well conclude that economic progress rests on such things as capital investment, incentive wages, and incentive profits, competition and research. In a very real sense, however, economic and social progress cannot realize its greatest potentialities and certainly cannot realize its greatest benefits unless there is an underlying sense of ethical values. For the inculcation of these values we must look primarily to the Church and for their practice we must look to those who either directly or indirectly can be influenced by the teachings of the Church. (Lewisburg)

* * *

For some years the National Association of Manufacturers has maintained contact with various church groups; most of our activity in this field, however, is done by various of our 18,000 members (21,000 in 1954) in their own individual capacities. For example, our five most recent presidents have been very active in church work; our (1952) president is national head of the Y.M.C.A. I think you will be interested in these statements made by our national vice-president, Dr. Robert E. Wilson, Chairman of the Standard Oil Company of Indiana, at a 1950 (June 8) meeting of our Board of Directors:

"I know that the great majority of businessmen *are* believers in the church and its emphasis upon the spiritual values in life. What I wish to say to them is very simple: I believe that it is the duty of such businessmen — and a duty they owe *both to the church and to business* — to take a more active part in church affairs. This duty involves time, attention, and the willingness to stand up and be counted. Writing a check is no substitute, although financial support *is* important and badly needed in many areas for the support of church activities. This includes better salaries for ministers — ministers expect to make some sacrifice when they choose their vocation, but this should not mean hardship for them and their families, as it so often does today.

"The whole estate — including the church and business — would be better off if businessmen would contribute more time, as well as money, to the affairs of the church.

"Just as businessmen tend to become narrow and lose their appreciation of religious and ethical viewpoints if they do not maintain contact with the church and its leaders, so the church tends to become impractical and often socialistic or anti-business, if it has little contact with practical men of affairs. It tends to accept at face value the many unfair attacks continually made on business and our economic system.

"If we, as businessmen, will give our time to attain better understanding, I am confident that both the church and business will be surprised to find how much they have in common and how little they differ when they both understand the facts. From my knowledge of both, enlightened business has nothing to fear and much to gain from such better understanding." (Isle of Shoals)

* * *

Ministers of all faiths are, in a large number of cases, separated both in their background and in their current parish activities from general economic problems and may perhaps have absorbed in their seminary days incorrect ideas as to the operation and nature of the business system and the views and desires of the business executive. It is important on the one hand for the business leaders of the country to know what church people

are thinking about economic matters and on the other hand it is important for both seminary students and ministers in their parishes to know and understand the forces which make the economic system function. (Rome)

Limitations Upon Church Pronouncements

I PROPOSE TO DISCUSS with you for a little while today ethical principles and the obligations of individual Christians in their relation to the basic requirements for economic progress and for the social progress which is the derivative of economic progress.

In approaching these problems the individual Christian must necessarily give careful consideration to pronouncements upon economic life by the Church as an institution.

In its pronouncements upon economic life, the Church has discovered that there are wise practical limits to what it should do. Thus the first National Study Conference on the Church and Economic Life held at Pittsburgh in 1947 called attention to "the danger of seeming to equate the Christian Gospel with a particular economic program or system. The Christian Church must never assume that the practical meaning of its basic teachings can be crystallized once and for all. The church cannot provide blueprints, it can give perspectives."

The February 1950 conference at Detroit declared (p. 1):

"Christians must not identify any economic order with the Gospel"—and this means either the existing order or any which may be proposed.

The lesson of all this is that the Church deals with general principles, and cannot wisely, or even properly, become too dogmatic in considering specific economic problems.

There is, moreover, a very pragmatic problem which arises in connection with efforts of church groups to interest themselves directly in economic matters, particularly in the field of industrial relations. At a recent church conference held in San Francisco, I heard labor leaders state that because of the existence of Roman Catholic, Protestant and Jewish church groups, there was no one church agency to which they could turn for advice and suggestions in the field of industrial relations. Consequently they did not feel that very much purpose was served by any one of these church groups alone seeking to interject itself into industrial relations questions, especially when they concerned differences between employers and labor groups. This may not be a very idealistic way of looking at the matter, but it is the practical approach of some practical labor leaders. (Indianapolis)

Ethics, Business and Church

I NOW SUMMARIZE my own philosophy as to the importance of the Church and the special relationship between ethics and business.

1. I start with the belief that a free choice economic system is the best kind of economic system to provide economic progress.

2. I believe that a free choice economic system can exist only in a free society.

3. I believe we can have a free society only where there is recognition of individual worth.

4. I think we are most apt to have a general recognition of individual worth when the prevailing religious concept teaches the dignity of the human individual that we find in the Christian-Judaic-Islamic concept.

5. When the dignity of the human individual is the prevailing religious concept we have a necessary basis for the development of a free society, and for a free economic system within that society.

6. Such a free economic system will not function for the best good of society as a whole when free choice by individuals is arbitrarily restricted. There must also exist for the best functioning of a free economic system both opportunity and desire for cooperation and understanding, together with realization that various aspects of freedom are linked together — that academic freedom, religious freedom, free speech, economic freedom, and freedom in research are all vital parts of a free society and that attack upon any one of these freedoms puts the others in jeopardy.

7. More than cooperation and understanding are needed to bring economic and social progress. We need public and individual consciousness of what is proper and improper, and here the Church has an opportunity, a challenge if you will, to fill a great role as teacher and guide. True happiness for the greatest number can only be built on the general observance of high standards, and this can most effectively and perhaps only be brought about if such standards are initiated and continually preached by the Church. If the Church takes the lead in this, it will help make us a nation built on the bedrock of brotherhood.

8. Individual responsibility and individual conscience are what are important. Morals based on standards of conduct either in Government, labor, business or forms of social life, must begin at the bottom with individual people, and that is the unique responsibility of the Church. (Lewisburg)

The Age We Live In

LET US MAKE an appraisal of the times we live in. There are three major characteristics. In the first place, we are living in an age of social change. This era began around 1900. One of the major factors in the development of this age of social change was the automobile. We need only to recite, without elaboration, the effect on farm life of the automobile; its effect on life in small towns; its ability, for example, together with the telephone, to bring doctors to isolated homes on short notice; and the enormous growth in tourist travel which has familiarized people in all sections of our country with people and living conditions in other parts of the country.

This age of social change also finds a great increase in life expectancy. As President Truman declared: "Life expectancy has never been so high; the occurrence of communicable disease has never been so low." (September 16, 1952). In 1900, for example, the average life expectancy at birth was 48 years. By 1950 this figure had risen to 68 years.

We have also had as part of this era of social change the development of the airplane. This too has opened new horizons so that people can visit far places both within this country and outside it.

The second major characteristic of the age we live in is the fact that, as Professor Toynbee has said, it is a "time of trouble." This may be said to have begun in 1914 with the outbreak of the first World War. The result has been a continued, and at many times increasing, uncertainty and doubt as to the individual, family and national future. The causes remain largely outside the United States. The facts of this "time of trouble" demand knowledge, understanding and willingness to cooperate on an equal basis with other nations in an endeavor to solve international problems.

The third major characteristic of the period we live in is that it is an age of economic revolution. I suppose few people realized in the period between 1770 and 1800 in England they were living in the initial stage of the Industrial Revolution. This period began in the United States in 1789 when Samuel Slater brought to Rhode Island and Massachusetts details of the new English cotton spinning machinery and built the first spinning mills in the United States. Power was applied to the manufacture of other products and thus began our progress from a poor land to one of wealth.

The introduction and application in the United States of the steam engine to manufacturing, railroad operation and navigation brought about here the changes we collectively term the American "industrial revolution."

And yet these changes, to any particular family or community, probably seemed so minor as they happened that I imagine few, if any, people

realized that they were living then in what history would record as one of the major eras of economic and social change.

In the United States, the industrial revolution was further emphasized early in the twentieth century by three factors; first, there was the development of the automobile to which I have already referred; second, there was the rediscovery in 1900 of Mendel's law of genetics which made it possible to breed plants and animals almost to specification; thirdly, there was the extension of electrical power to farms and villages and towns. In 1926, for example, there were 100,000 miles of high voltage transmission lines in the United States; in 1952, this figure had mounted to 260,000. In other words, we have a network of super-power lines which makes electric power available almost everywhere.

Now, in the words of the advertising slogan, "something new has been added." We are at the beginning of an age of atomic revolution (which may later be called the nuclear revolution). This age began in 1938 when it was found out how to release energy from the nucleus of the atom.

Two of these three aspects of the age we live in — social change and economic revolution — are based on science and technology.

Economic and social progress will, in my judgment, continue to rest on incentive, competition and research. Far too little attention has been paid in our schools to the effect of science on life. Almost one hundred years ago, one of the world's great historians, Henry T. Buckle, created great excitement with his "History of the Civilization of England" because he measured a country's civilization by the extent to which it fostered scientific knowledge and freedom. Five years ago, another great historian, G. M. Trevelyan, Master of Trinity College, Cambridge, said (December 1, 1949, London Times) that "altogether too little about science is said in our history books in view of the fact that science has been the chief factor in human affairs during the last two centuries." (Princeton)

Today's Opportunity for the Church

WE HAVE SEEN that people have many hopes and aspirations and also that there are many situations and problems which make it difficult for an individual to realize all his aspirations.

What can the Church do about all this? It is logical for sincere churchmen to endeavor to make effective the phrase in the Lord's Prayer, "Thy kingdom come on earth as it is in heaven." It should, however, be recalled that our Lord also emphasized the importance of personal character and integrity, the justification of superior reward based on superior

accomplishment, and the Bible emphasizes the necessity of avoiding becoming impatient if all our legitimate desires are not immediately met. Thus we find that the Psalmist says, "Wait on the road and keep His way" (37:34), and in Lamentations (3:26) we read, "It is good that a man should both hope and quietly wait for the salvation of the Lord." And St. Paul, in his epistle to the Romans (8:25), "But if we hope for that we see not, then do we with patience wait for it."

The lesson of this is that while we seek to establish the Lord's kingdom on earth as it is in Heaven, we must not expect all things to be accomplished overnight.

With this background, let us now review the underlying opportunity and basic responsibility of the Church in meeting the challenge of our times.

1. The Christian Church stands for freedom of conscience, freedom for individuals to choose their own form and mode of worship.

2. It is important, therefore, that the Church should survey the nature of freedom and the function of the Church in connection with its preservation.

3. Freedom, as we in the United States understand it, implies free worship, free speech, free thought (including academic freedom and freedom of scientific research), free elections and economic freedom. It means that we have a Government in which there is rule by the majority but with protection of the rights of a minority against oppression by the majority. If and when we allow a centralized government to cripple and even destroy any one of these basic freedoms, then the Government in power will find it easy to encroach upon the other basic freedoms.

4. Implicit in the idea of freedom is the concept that the state was created by and for the citizen and is subordinate to the citizen. The idea that it is fundamentally the citizen who counts, and not the state, is the anti-materialistic philosophy most truly consistent with the basic principles of Christianity.

Those of us who believe that in the religious field, salvation is individual should logically believe that in the economic field, free choice and selection by the individual should likewise be supported. In other words, the rights and freedom of the individual should possess priority in his relations to his fellow-men. We should support in the economic field this concept for the spiritual field voiced last year by "The Religious Bodies Consultative Committee of England," composed of the Anglican, Roman Catholic, Free Church, and Jewish Churches. This group declared (London Times, June 6, 1950): "Those who seek to maintain truth and justice, those who would love their neighbors, must accept obligations which imply

a belief in the moral freedom of the human spirit and reject determinism. The spirit of man has power to choose."

5. We need a greater understanding of what is proper and improper. Justice Holmes, for example, said in a famous case that when Congress makes a tax law, it is right and proper for the individual taxpayer to consider that Congress has carefully defined what it intends to be legal or proper and what illegal or improper in connection with tax liabilities and payments, and for the individual to proceed accordingly. On the other hand, those charged — either by election or appointment — with the responsibility for impartial and vigorous enforcement of the laws, should be careful not only to function in full accordance with the laws but also — and perhaps even more importantly — to realize that there are high ethical standards of conduct which they should be expected to follow in the performance of their duties.

We must oppose any idea that a public official should be measured solely from the standpoint of whether his actions are legal or illegal, and that nothing is wrong for a public official to do if it is not illegal.

What would we think of a worker who refused to admit that the commandment "Thou shalt not steal" means in employment that it is necessary to give an honest day's work for an honest day's pay? What would we think of the employer who arbitrarily refused to reward better performance with better pay? What should we think of public officials who denounce as asinine inquiries into the conduct of other public officials, or of a United States Senator who requests a public body to make a loan to a firm for which his own son is counsel? These things may not be illegal but I submit that they are far from being proper.

If you think I have exaggerated, I would direct your attention to this statement made recently by five special writers in the *Christian Science Monitor* (March 17, 1951), "Unquestionably there has been a steady deterioration of moral standards in our public life." Moral standards, or their lack, evidence to a large extent the success or failure of the Church to impress proper standards upon individuals. What will the churches do about it?

6. All things must be considered in proper perspective. Senator Fulbright recently declared (March 3, 1951) that testimony before a Senate Investigating Committee indicated a great need for "general investigation of the moral level in Government." This has been supplemented by the revelations before the Kefauver Committee, by the college basketball scandals, and by many state and local investigating committees.

Nevertheless, while I don't like these things and while I realize that

they could be the forerunner to a general decline of the greatness of this nation, I am not despondent.

In the first place, I believe that people as a whole possess right instincts, desires, motives and standards of conduct, not only for themselves but for others and particularly for public officials.

I believe that our new means of communication, especially television, can do much both to inform and arouse public conscience and public action. Moreover, in overall perspective I see no other nation which is in better shape in this respect than our own. It is true other countries may not have the exact type of problems about moral standards in public affairs which exists in the United States, but nevertheless they go even further when they seek to curb the freedom of individuals by putting more and more power into the hands of a bureaucracy, when they seek to substitute choice for individuals by a bureaucracy for free choice by individuals for themselves. The United States has not yet as a nation denied the essential dignity of the individual as was done under Hitler and Mussolini and as is being done today in Soviet Russia.

I commend to you this statement (Life, July 25, 1949) by a man who in his own lifetime has been accorded outstanding world recognition, Dr. Albert Schweitzer:

"In a thousand different ways mankind has been persuaded to give up its natural relations with reality, and to seek its welfare in the magic formulas of some kind of economic and social witchcraft by which the possibility of freeing itself from economic and social misery is still only further removed. And the tragic meaning of these magic formulas, to whatever kind of economic and social witchcraft they may belong, is always just this, that the individual must give up his own natural and spiritual personality and must live only as one of the spiritually restless and materialistic multitude which claims control over him." (Indianapolis)

Economic Challenge to the Church

THE ABILITY TO PRODUCE more and more means that the people of this country as a whole must make certain major choices. Particularly they must decide whether they will have more goods or more leisure. My own opinion is that they will decide to have some of both. In other words, over the next twenty-five years, the hours of work will be reduced somewhat but not as much as they would be if we simply wished to maintain our present standard of living. Similarly, our supply of goods and services — that is, our standard of living — will also increase somewhat but not as much as if we were willing as a whole to work the same number of hours as at present.

This increased leisure will pose an important problem for the churches. Engineers estimate that today we have 1000 more hours of leisure per year than our grandfathers had, and in my judgment this figure may well be increased to somewhere between 1200 and 1500 hours by 1975. How are people going to use that increased leisure? Will its use benefit themselves and their families or be a curse to them and to society as a whole? Here is a great challenge and a great opportunity for both the schools and churches. It is estimated that between 1952 and 1970 there will be an increase of 28,000,000 in the number of church parishioners. This is a conservative estimate and in my own judgment the figure may well be somewhere higher than this if the increased interest in religion continues to grow.

If the present average enrollment in each individual church is maintained, this increase in the number of church parishioners alone would require 105,000 new church structures by 1975. Actually, because of the decentralization of population which I will mention in just a few minutes, the number of new church structures needed may well be somewhat greater than this unless offset by large average enrollment in each church.

A moment ago I said that I would discuss the growing decentralization of population. Perhaps it would be better to characterize this as the increasing "suburbanization" of our population. Since 1947, for example, although the population of the United States as a whole has grown only 15%, the population of the suburbs has grown by 17%.

The automobile and electrification, both of which I discussed previously, have played an important part in this increased suburbanization of our population. General Guy Tripp, Chairman of Westinghouse, at the 1926 Philadelphia Sesquicentennial Exposition, made one of the most important and prophetic addresses made by any industrialist in the first half of this century. General Tripp predicted the decentralization of the population which would, he said, be due to super power, the automobile and the production of standardized and interchangeable parts for machines. He declared that the "factory town, with all that it implies, will be replaced by the garden community . . . Industrial decentralization . . . will build up our outside-the-city population again . . . a check on the growth of our cities." This is just what has happened — twenty-five years ago 60% of all families lived in big cities or on farms; today 60% live in suburbs or small towns.

Increasing suburbanization has also been accompanied by an increased participation in church activities. Some of the problems confronting the churches in this respect are to determine the areas in which population expansion is likely to occur and where church expansion will be needed.

There is also the question of meeting the financial and personnel requirements of the new churches and the new clergy which will be required.

In my judgment, this increased suburbanization will have an effect on the situation in many of our larger cities. We will find less new construction in the big cities and on the other hand, less congestion and crowding in the old sections of these cities. These developments in turn will create problems for the city churches. (Princeton)

Psychological and Social Challenge to the Church

THE CLERGY OF TOMORROW will find it necessary to deal with more — perhaps more fundamental — matters than the changes in living standards and living conditions brought about by economic utilization of scientific and technological developments.

Tremendous psychological problems exist today and will continue to exist for some time to come. These are based to a large extent on the fear of war and the dislocations caused by war and preparation for war — or even from preparations to avoid war. There are resultant effects on personal standards and on ideas of what are right and wrong. These problems exist for people who stay at home and for those who are in the armed forces; they present a serious challenge to the churches.

People look more to the churches when they worry. The people want comfort and guidance and assurance. Can the church — meaning chiefly the clergy with their message — give it to them? There lies one of the greatest challenges of today and tomorrow to the churches, not only in the light of their divine message but also in the personal viewpoints and personalities of the clergy. The churches can under divine guidance and inspired human leadership become in a time of trouble a House of Refuge and Relief for more and more people.

Similar, so far as basic causes are concerned, to the psychological problems which confront the clergy are the social problems. These too are caused to a very large extent by preparations for war and perhaps for the avoidance of war. Even more important to many young people and their families, these social problems are caused by the dislocations of the draft and other forms of service in the Armed Forces. Special social problems, in meeting which the clergy can be of great help, exist with the men in the camps and in the field. Problems similar in importance but different perhaps in character and degree exist among the young people and the older people who stay at home. I suggest that frequent conferences among clergy called upon to deal with psychological and social problems, such as those men-

tioned, will enable each of those participating in these conferences to benefit from the experiences of other participants. (Princeton)

Nature and Value of Freedom

WE CAN HAVE PROGRESS without freedom but we cannot have as much progress. Improvement in any field must be created by dependence upon the experience of the past and by competition of current ideas aimed at future development. Indeed, it is possible that if we do not have freedom, we may actually regress and have negative progress instead of positive progress.

Freedom brings about a competition of ideas and a rivalry between competitors which is a stimulus to progress. You may well ask whether I mean economic freedom or religious freedom or cultural freedom. My answer is that I mean all of these. Experience demonstrates that when freedom in one field is attacked, freedom in other fields is put in jeopardy.

If you ask me to define freedom itself, I find this more difficult, nor do I know that my definition would be satisfactory to others. I say this because I know of a group in Philadelphia which has been meeting off and on for about eight months in an endeavor to define freedom and has not yet arrived at a consensus. I do not consider this disturbing, however, because the background, education and current environment of different individuals and groups cause them to place different values upon specific aspects of life. To the teacher, for example, "freedom" has a particular meaning; to the farmer it may have another, and to the scientist it may have still another. These differences, to my mind, indicate the basic strength of the ideal and do not at all indicate any fundamental weakness in the concept. The concept of freedom becomes weak when there are not enough individuals and groups of individuals who are interested — wherever and whatever their own place in life may be — in preserving "freedom" in their own particular category or field, and when we fail to recognize that to preserve freedom for ourselves we must support it for others. (Isle of Shoals)

Recognition of Human Dignity

ABOVE AND BEYOND ALL of these intangible aspirations, however, is the individual's desire that he be recognized as a person, that his human dignity be recognized and that he have an opportunity for spiritual development. The economic values represented in the free choice economic system of the United States are primarily based upon the differing capabilities of indi-

viduals and the belief that superior accomplishment justifies superior reward. These are essential elements in the preservation of the human individuality and human dignity. As to the philosophy involved, I agree on this point with the following statement made last year by the Conservative Party of Great Britain (The Recorder, October 14, 1950, quoting from a booklet "Conservatism, 1945-1950"):

"Conservatism sees man as a personality capable of infinite development. . . . The good society must be such as will make possible the highest development of that personality. The Conservative is therefore concerned not only with material progress but with spiritual progress. . . .

"We are concerned to develop the qualities of the common as well as the uncommon man. The higher his material standard, the higher will his qualities be able to reach."

The best opportunity for individuals to realize these tangible and intangible aspirations is in a nation and world in which there is at least reasonable security and peace, with a reasonable prospect of its continuance. The public as a whole desires that labor problems and other economic problems be worked out by the parties involved, for the public good and without a disruption of society.

The public desires — which means that the vast majority of individuals desire — that kind of security which provides an opportunity for learning, an opportunity to use learning, an opportunity to be employed in a task which contributes something for the benefit of society and an opportunity for his children to develop still further and to be free from unnecessary worry. (Indianapolis)

Class Prejudice

WE SHOULD, in our discussions, reject efforts from whatever source to arouse class prejudice against or between certain citizens or groups. I direct your attention to statements by two former distinguished citizens of New York State. One of these, Mr. Hopkins, declared:

"This is a fight between those who have not and those who have and we are with those who have not."

Contrast with this the sentiment expressed by the former Chief Justice of the United States Supreme Court, Mr. Hughes, who said:

"Anyone who tries to promote a feeling of class distinction, to make one half of the American people think the other half are rogues, is a traitor to his country." (Detroit)

Cooperation and Understanding

WHEN WE URGE the welfare of the individual as the basic goal of our social system, of our modern civilization, we do not thereby reject the concept of cooperation.

Associations of all kinds exist and many of these are flourishing. When they are based on good objectives, when they enlist the personal interest of at least a large proportion of their members, and when eligible persons can join or not join, resign or not resign, just as they see fit, then such associations are very much worthwhile.

We do, however, need more effort by groups and individuals to understand the goals and activities of those who are in different walks of life.

We hear much conflict between industry and labor, but because it is not particularly exciting we seldom hear of the thousands of satisfactory day after day relationships between management and employees.

Nor is it generally realized that there is a wide area of agreement between business and labor. During the war, for example, the A.F. of L., the CIO, and the NAM joined whole-heartedly in opposing compulsory conscription of labor. Business and labor organizations are likewise strongly opposed to compulsory arbitration of labor disputes. Business and labor groups do have important differences but there are also major fundamentals upon which they agree.

We need greater cooperation and mutual understanding, but we need still more in this country. We need a greater public and individual understanding of what is proper and improper, and here the church has an opportunity, a challenge if you will, to fill a great role as a teacher and guide.

The fight for clean, honest Government, conforming to both law and ethical principles, is a challenge and opportunity to the Church. No other part of society possesses equal authority, equal right and equal opportunity to proclaim standards of clean, honest Government and at all levels of Government, local, state and national.

Today's task for the Church is that of elevating general understanding and observance of the highest ethical standards by all people and especially by those charged with public trust. As Church people we should continually emphasize that the Christian Church should maintain and proclaim to all its members the fundamental dogmas that —

Fraud is an evil;

Agreement between individuals should be observed;

Individuals should proclaim the truth as they see it.

The Church is an institution and all who are churchmen should realize that true happiness for the greatest number can only be built on the general observance of high standards, and that this can most effectively and perhaps only be brought about if these high standards are initiated and continually preached by the Church.

Beyond the home front consider this statement by George F. Kennan, Ambassador to Russia: "Any message we may try to bring to others will be effective only if it is in accord with what we are to ourselves, and if this is something sufficiently impressive to compel the respect and confidence of a world which, despite all its material difficulties, is still more ready to recognize and respect spiritual distinction than material opulence." (Public Affairs, April 1951)

The United States, by its example in the various fields of freedom — religious, academic, scientific, economic — and in the widespread practice of high standards of personal conduct throughout all levels of our society, can do more than by any other means to encourage similar freedom in other lands.

By establishing high standards at home we will be justified in preaching them abroad and can thereby help to establish a nation built on the bedrock of brotherhood and to promote true world brotherhood. (Isle of Shoals)

PRIMARILY INTERNATIONAL RELATIONS



Requirements for International Peace

THERE ARE FIVE major long-run essentials for international peace and its maintenance.

First, there should be commerce between nations. William Ellery Channing eloquently pointed out in 1841 that "commerce is a noble calling. It mediates between distant nations, and makes men's wants, not as formerly, stimulants to war, but bonds of peace . . . Commerce . . . spreads the thoughts, inventions, and writings of great men over the earth, and gathers scientific and literary men everywhere into an intellectual republic."

Second, in addition to international commerce in goods and services, there should be free rights for tourists, students and businessmen to visit other lands.

Third, there should be support of soundly conceived international efforts for the peaceful discussion and settlement of differences and mutual problems, and for the reduction of armaments and their economic burden. The interdependence of nations is a common theme nowadays, but to my knowledge it has never been better expressed than by Elihu Root in 1906 (in Brazil, July 31):

"No nation can live unto itself alone and continue to live. Each nation's growth is a part of the development of the (human) race. There may be leaders and there may be laggards; but no nation can long continue very far in advance of the general progress of mankind, and no nation that is not doomed to extinction can remain very far behind. . . . There is not one that will not gain by the prosperity, the peace, the happiness of all."

Fourth, there should be realization that the economic and political system which works well in one country, or which the people of that country seem to like, would not necessarily work well in other countries or be suited to the customs, desires, and habits of the peoples of other countries.

Fifth, there should be realization that it is possible for countries with differing economic and political systems to get along with each other in peace, provided that neither seeks to impose its methods on the other, either by overt acts or the instigation of internal unrest. Twentieth century Russian imperialism is more of a menace to world peace than the twentieth century application of the economic doctrines of Karl Marx. (Isle of Shoals)

* * *

Peace can best be assured through two things; namely, military strength to resist aggression and peaceful intentions on our own part. They mean, moreover, that peace can best be assured when the United States and its allies are able as they are now to take the initiative in international questions instead of simply waiting to see and answer actions by potential adversaries.

The possibility of world peace not only depends on friendship between peoples of the free world, but it is also essential to somehow or other convince the peoples behind the Iron Curtain that we are their friends.

To do this we must convince them that the United States and other nations of the free world are not purely materialistic in their outlook but that we have a fundamental philosophy which offers more for the average man, something which will offer not only hope to the oppressed, but something they can believe.

I certainly do not profess to have the full answer to the challenge of that task but submit these suggestions for incorporation in such an ideology:

(a) The State is impersonal; people are personal. They live and breathe; the State exists only because people exist.

(b) The goal we seek is the welfare of individuals, not the welfare of the impersonal State; we stress freedom of will and choice, the dignity and value of each human being.

(c) The goal we seek is individual liberty, where a man can think what he pleases and say what he thinks without having to wonder whether it is what the impersonal State thinks. In a free society people have an opportunity to express themselves freely.

(d) Communism, which is claimed to result in freedom, actually results in slave labor or its equivalent. The toilers are not free under the yoke of Communism. In a free society citizens are not afraid of the knock on the door at night; they can walk down the street with their heads up.

(e) True equality can exist only in a free society — equality of all citizens before the law and equality of opportunity. Communism, which is

supposed by its champions to result in liberty, does not allow the average citizen any right or opportunity to seek justice in the courts.

Communism, which is claimed to result in equality, brings greater class discrimination in Communist countries than in the free society countries.

No existing Communism is true Communism; the only true Communism is the equality of opportunity before the law which exists in the free society countries.

(f) In a free society most individuals feel within themselves a personal duty to take care of the unfortunate, and to promote the public welfare. Nor is a man cold and lonely in a free society; people cooperate with each other in all kinds of church groups, clubs, and associations. A free society is based on the concept of voluntary action, both individual and in team work.

(g) Consumers can have more to eat and use when sellers are trying to provide something they think and hope people will buy than when the central State decides what people ought to have and what they will be allowed to buy and how much they will have to pay for it.

Free choice by thousands of people for themselves will give more to eat and use than decisions by a few central planners as to what people will be allowed to have. (Rome)

Ethics and International Relations

THERE ARE MANY aspects of international relations which involve basic ethical questions. I propose today to deal with only two of them because they seem especially important; namely, the sharing of the wealth idea, and the use of atomic or nuclear weapons as a war device.

You will recall that one of the greatest demagogues in our country during this century campaigned for office on the plea that he would "share the wealth"; that is, that he would take from some to give to others. Applied to the international field, this means that "have" countries, such as the United States and Canada, should either voluntarily or through compulsion give up some of their wealth to the "have not" or underdeveloped countries. In fact one of the most intelligent foreign representatives in the United Nations, himself from a relatively underdeveloped country, only this week said that the people of the United States should now reduce their own standard of living by 10%, and be prepared to reduce their standard of living by 50%, or even two thirds, so that the people of underdeveloped countries might achieve a higher standard of living and thus be more resistant to the untiring appeals of Communism. Incidentally, right at this

point it might be said the evidence is not at all clear. For example, Italy and France are certainly more developed countries than Libya, Egypt, Saudi Arabia and Iraq, and yet Communism seems to make more of an appeal in the former than in the latter countries.

The United States since the end of World War II through the Marshall Plan and technical assistance has spent billions of dollars to aid other countries. The primary motivation for what might be termed our economic aid (including the Marshall Plan) was in restoring the economies of nations which for many years had suffered from the ravages of war. The motivation for technical assistance, on the other hand, has been primarily to aid our allies, and particularly the underdeveloped countries of the world, to foster industrial development and bring about improved living standards.

By encouraging self-help among the peoples of the world, we can do much more to bring about real improvement than we can by putting some sort of perpetual curtailment on our own living standards which would tend to subsidize lack of incentive for self-development among other peoples.

As a matter of fact we are frequently too much inclined in considering international economic problems to concentrate our attention on government activities and to ignore the many constructive achievements of private companies. . . .

Consider, for example, what private United States and Canadian companies are doing to help bring electricity to the two-thirds of the world's population who live without electrical power, thus helping to light villages, drain swamps, and irrigate barren lands. Consider also, the achievements of the United Fruit Company in helping to develop new crops in underdeveloped countries and that of the Arabian-American Oil Company in drastically reducing malaria in the oasis villages of Saudi Arabia.

The Council on Foreign Relations has just published a book, "The Future of Underdeveloped Countries" by Eugene Staley of Stanford Research Institute. After analyzing this problem, Mr. Staley concludes:

"Fundamental is the spirit of helping people to help themselves. Our interests will best be served when our aid stimulates initiative, self-reliance, and responsibility. Continued dependence on us would be a failure. We should be clear that the American interest is to build upstanding partners, not to train people to depend on a rich uncle nor to create satellites. . . . Our interests are not well served by doing things *for* the people of the underdeveloped countries. Hence, American aid ought to be much less concerned with physical structures than with what happens in the attitudes and capabilities of local people. When aid ends, it should leave going institutions. . . . We must realize, too, that our aid cannot be effective in a

truly developmental sense, and will not serve our long-range purposes, unless it is merely marginal to the efforts that the people and government of an underdeveloped country put forth themselves in order to accomplish *their* purposes. American aid can act as a catalyst, and in some circumstances it is likely to turn the balance between success and failure. But, as George F. Kennan has said, we cannot make up for efforts that are perfunctory or inefficient or fainthearted. 'Above all, our will cannot replace their will.' "

In February, 1950, the Federal Council of Churches convened in Detroit a "National Study Conference on the Church and Economic Life." That conference adopted reports on a number of subjects, including "The American Economy in Relation to World Needs and Resources." On the particular point we are discussing the Detroit report said:

"Technical assistance should be offered to underdeveloped countries on the basis not only of the needs of their people, but of their capacity to absorb and use constructively for their general welfare the assistance offered. . . . Exaggerated hopes as to the speed with which the economic life of countries can be transformed by such means should be discouraged."

The United States can be of enormous help to the underdeveloped countries of the world through technical assistance which will improve education, health, and methods of agriculture. We cannot help these underdeveloped countries of the world if they will not take constructive advantage of technical assistance, if they will not provide conditions which attract foreign private investment, or if they advocate some kind of international inter-governmental economic planning which will seek to "share the wealth" by some kind of world-wide leveling down process. Understanding of these factors serves to help in bringing about an understanding of the real issues involved.

Let us turn now to the question of the use of nuclear or atomic weapons. The idea has been advanced that this nation should start a "preventive" war, making an assault on our potential enemies in order to destroy their capacity, if not their desire, to wage war against us or our allies. The danger in this sort of activity would be that if it were successful no other nation could be sure we might not at some time wish to wage a preventive war against it. More important, however, from an ethical standpoint is the question as to whether we could be *sure* of our evaluation of the motives, aspirations and fears of other peoples and their governments.

Even if we win — and I think we could — could we hope to maintain the future good will of other countries? Believe me, that is an important factor in the world today. So, too, is the inferiority complex in some nations. I am confident Russia has such an inferiority complex. In 1945 in San

Francisco, Russia opposed the creation of a World Court largely because she did not have trained international jurists who could make a good showing in meetings with skilled international lawyers from other countries. Russia's continuing inferiority complex is evidenced in its fear of tourist travel and voluntary emigration of its citizens.

Allied to this question of whether we engage in a preventive or defensive war — if any war at all be necessary — is whether we should use nuclear weapons first or only after they have been used by the enemy. On the one hand, if we use such weapons first, we may save thousands of lives of American boys — but with a loss of thousands of lives of enemy boys. On the other hand, it might well be, if the enemy ended the war sooner because of our use of nuclear weapons, there would be a saving of life in their armed forces.

The very development of the atomic and hydrogen bombs should encourage all peace-loving peoples everywhere to help eliminate causes of international friction, and also to decrease the heavy economic drain of armaments production, both traditional and nuclear. It is to be hoped that Russia will soon withdraw her objection to effective international inspection to check on the extent of compliance with agreements for arms reduction.

I attempt no answer to these problems but I say that they must have the most earnest consideration of all thoughtful people, and especially for the guidance of those whose training and mission is to inculcate ethical principles and to encourage their observance. (Princeton)

Technical Assistance and Economic Aid

IN ADDITION to the supplying of materials, both those needed for regular production and those needed for strategic purposes, we also have the question of the economic development of underdeveloped countries. The United States has great interest in the encouragement of economically underdeveloped countries to improve their general standard of living. It is my own belief that much more can be done in this way by encouraging the peoples of these countries to help themselves than by the direct supplying and furnishing of aid and assistance by other governments.

A splendid example of this is the Institute of Inter-American Affairs during the last twelve years in Latin America in joining with governments there to improve health, education, and agricultural methods. Another instance is the visitation of British, French and Dutch industrial "productivity" teams to the United States to study the machinery and techniques of pro-

duction. Another example is furnished by the United States contribution to land reclamation and improvement in Italy; from the counterpart lire fund, the United States supplied up to the end of 1952 a total of 55 billion lire for this purpose.

While technical assistance aid by the United States Government and to some extent by the United Nations has been of great benefit, practical aid of this sort by private companies has in many instances accomplished much more. As an example of efforts of this kind, I point to what has been done by the Arabian American Oil Company (ARAMCO) in Saudi Arabia. Being foresighted, this company knew that in future years it would need to get its supply of native labor from the villages of nearby oases. Naturally the health of residents of these oases would be of great importance, in connection both with the supply and physical condition of such future labor. Consequently the company engaged in a great campaign for the reduction of malaria in the oases. The result is that whereas in 1947 about 82% of the children had a malaria blood count, five years later less than 2% had a malaria blood count. This is only one example of the splendid work which this company has done and is typical, moreover, of the work which many other companies have done in other parts of the world.

So far as economic aid is concerned, it is my firm belief that private investment in an underdeveloped country can be much more effective than investment from other governments and international investment and lending agencies. This necessitates, of course, the existence of sound tax laws in the country from which the investment might be made and the existence of a favorable political and economic environment in the underdeveloped countries so that due to this combination there may exist incentives which will make such investments attractive to the potential investor.

Underdeveloped countries which supported in the UN Economic and Social Council a resolution which supported nationalization of industry, without specifying that there should be prompt, adequate and effective compensation to private owners did a great disservice to the possibility of attracting foreign private investment into their own and other economically underdeveloped nations.

One difficulty in the economic development of such countries is that many of them want to do too much too fast. Not every country, for example, is economically capable of supporting a steel mill — yet almost every economically young country wants one. People in some countries, moreover, fail to take into consideration such factors as — supply and cost of raw materials, training and supply of skilled labor, the availability of skilled management, access to markets, transportation and power problems.

I believe that presently economically underdeveloped countries, by building on the experience of the United States and other economically developed nations, can proceed at a considerably more rapid pace than the United States, for example, could do at a similar stage of economic development. Nevertheless, they cannot accomplish economic miracles and should not allow demagogues to deceive them into a belief that overnight they can attain living standards which after all are based on both the production and distribution of goods and services, and not simply on hopes and wishes.
(Rome)

PRIMARILY ETHICS AND ECONOMICS



Requirements for National Strength

THE FACTORS which make for national strength are these —

1. A population with intelligence, initiative, courage, and resourcefulness.
2. A physical climate in which it is possible to make productive use of personal abilities, and also productive use of the soil for crops and livestock.
3. Enough natural resources, or access to them, to serve as the basis for production.
4. A history, or common background of aspirations, which makes a country worth living in, maintaining, and endeavoring to make still better.
5. A governmental system based on over-all majority rule, protection of minorities against oppression by a majority, access to courts for those accused of wrongful acts or to accuse others of wrongful acts or against oppression by government itself, local self-government for local problems, representative government for all except very small governmental units, free election of representatives, and on freedom of internal travel.
6. An economic system which recognizes the supreme worth and dignity of the individual, which recognizes that individuals differ in ability and accomplishment, which gives superior rewards for superior accomplishment, and which gives individuals, whether workers, investors, producers or consumers, a wide measure of personal choice in making economic decisions.
7. Recognition in our governmental and economic systems that ideas and progress depend upon what Professor Toynbee terms "the creative minority"—and willingness to choose voluntarily as leaders in both government and the economic field, persons of superior ability.
8. General recognition that not all which is proposed in the name of

progress is really so, that the history of the past, both in its accomplishments and failures, contains valuable lessons for us, and that it is equally important to be for that which is good and against that which is bad.

9. A national defense system adequate at all times in relation to the population and geographical size of the country, the general international situation which exists, and its international commitments.

10. A general belief by the country's inhabitants in the God of their fathers. (Isle of Shoals)

Requirements for Economic Strength and Progress

THERE ARE SEVEN FACTS which should be understood as essential for securing and maintaining economic strength and progress in this country.

These are:

- I. Public welfare is best promoted through free enterprise and individual liberty.

All of us are interested in a state of society which will provide a large and increasing degree of welfare for the maximum number of people. The pattern which will best promote the public welfare and provide the best opportunity for progress and happiness for the most people is one in which individuals are given the widest opportunity to develop and utilize their own ability. That is the basis of the free private competitive enterprise system which has, as we all know, made great progress in providing more and better material goods and comforts. Despite all the dire predictions of the Marxists, free enterprise capitalism, where allowed to operate, is, as Bernard Shaw said just before his death (London Economist, July 19, 1952) not only far from decaying but has actually made great advances.

That is so precisely because free enterprise enlarges the sphere of individual independence and action while Socialism contracts it:

This was magnificently expressed as follows by De Tocqueville in 1848 —

“Democracy and Socialism are linked only by the word ‘equality’, but note the difference: Democracy wants equality in freedom, Socialism wants equality in constraint and enslavement.”

An increasingly higher standard of living for the people of this country means, however, much more than present and future availability of physical goods, more food, or electric lights instead of oil lamps. It means more time for leisure and recreation, higher educational standards, better family life. The productive and distributive mechanisms of our free choice economic system can provide opportunity for people to have more leisure, better education, more family life — but it is up to individuals to determine whether they will

neglect, abuse, or take advantage of these opportunities. The very success of the free-choice economic system in raising production and in enlarging distribution provides a great challenge to our religious and educational leaders as to whether they can get people voluntarily to take constructive advantage of their expanded opportunities.

The essence of a centrally planned economy is that it must necessarily impose a system of social priorities which in turn implies a code of moral valuations by government. The attempt to impose a moral valuation code on an entire population is an inevitable accompaniment of the effort to restrict or virtually eliminate free choice in the economic field. Freedom to choose is an essential to progress in the academic, economic, and scientific fields; it is equally essential to spiritual growth and development.

II. All "property rights" are "human rights."

There are some who tell us that those who oppose their objectives and proposals are selfish advocates of mere "property rights" and therefore opponents of "human rights." This is a fallacy because when we speak of a "property right" we mean the right of some individual to a share in the ownership of certain property. There is no property right which is separate and distinct from the human right of the individual who owns it. I like this statement by Jonathan Swift ("Vindication of Lord Carteret," 1730):

"Hobbes most judiciously observes that the writings of the Greeks and Romans made young men . . . 'embrace notions of liberty and property.'"

Note the linking of these two — liberty and property, freedom to acquire and use property as a symbol that economic liberty really exists.

Christ himself in various utterances approved private property as an economic institution — but that should make no property owner complacent. It should never be forgotten that to the Christian the possession of property or wealth must be subordinated to spiritual and ethical aims, and to a full sense of stewardship. William Ellery Channing well summarized it thus:

"Wealth should be held as a *trust* from the great Proprietor. We should remember that what we properly call our own in reference to fellow-creatures is not *our own* in reference to our Creator; but is subjected by Him to the supreme law of immutable right."

III. Competition is One of the Essentials of a Free Enterprise Economy.

Competition between buyers, between sellers, between buyers and sellers, and competition in ideas, is the mainspring of economic

progress — of increasing welfare for the average man — of better prospects for tomorrow by the children of today.

I agree wholeheartedly with this statement by Sumner Slichter, former president of the American Economic Association (*Atlantic Monthly*, November, 1949): "The view that competition is less vigorous today than formerly is one of the most persuasive myths of the age. As a matter of fact, the economy is becoming more competitive, not less so, and will continue to become more competitive."

IV. Profits Are A Measure of Service.

Sometimes we are told that production for profit is inherently wrong. The primary function of industry is to produce goods and services for use and the real question is whether profits promote or impede such production.

Profits, in fact, show whether products actually were for use or not. If goods and services are not wanted for use, people will not buy them and there will be no profits. Profits measure the degree of success in producing things consumers want.

It is interesting to note that for business as a whole profits after taxes are paid amount to only about 5% of the sales dollar paid by the consumer. (According to the January 1952 report of the Council of Economic Advisers profits of manufacturing companies in the first three quarters of 1951 averaged 5.5%, and were declining.)

From a social point of view society pays a very small price in profits for what we as a people enjoy.

V. Social Progress Depends on Economic Progress.

For all of us interested in social progress it is pertinent to recall this statement made by Governor Lehman of New York in 1932:

"Social progress cannot be accomplished faster than economic progress. That means that the state's social progress cannot be pushed faster than the people's ability to pay for it."

In other words, social progress can be won only when wealth has been, and is being, created, and consequently is available for distribution. People as a whole can have more only when they produce more.

VI. Home Rule and Local Self Government Should be Preserved.

The experience of foreign countries shows that destruction of freedom and liberty generally begins with the gradual breakdown and eventual elimination of local self-government. Here in the United States we should be ever vigilant to resist encroachments by national and state governments. In support of the idea that we must avoid overcentralization of governmental power, I direct your attention to

this statement made by the Governor of New York, Franklin Roosevelt, in 1930:

"In the matter of vital problems of government, such as the conduct of public utilities, of banks, of insurance, of business, of agriculture, of social welfare, and a dozen important factors, . . . Washington must not be encouraged to interfere."

Governor Roosevelt also wisely declared — "To bring about government by oligarchy masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our national government."

VII. The Best Chance of Domestic Progress is a World at Peace.

Economic conditions in the modern world are not merely national in their scope. Many economic problems must be tackled by the joint action of several governments; few of them can be approached successfully without the consideration by national governments of their international repercussions. This country has, during the past few years, supported in many fields the concept of international economic cooperation. This is a good thing. We must, however, avoid extending economic assistance to other nations in such a way or at such a cost that we will lessen the ability or desire of other nations to help themselves or impair our own ability to continue such assistance. We should continually seek to provide an example of economic results which others might wish to emulate.

We should, moreover, recognize that many things we desire for ourselves in the way of economic and social progress, of raising living standards and real social security and reducing business booms and depressions, cannot come about until there is real international peace and reasonable assurance that it will continue. (Isle of Shoals)

U. S. Economic System and Christianity

I COMPLETELY SUPPORT the Detroit Conference statement that "Christians must not identify any economic order with the Gospel."

But I do believe it permissible and desirable to point out that the essentials of the American economic system and of Christianity are consistent and compatible.

Consider for example —

1. Christ in his teachings recognized the existence of differences in economic ability.

Matthew 25:15

This is one of the two principal cornerstones of the philosophy of capitalism.

2. Christ likewise supported difference or inequality in economic reward on the basis of difference in economic accomplishment.

Matthew 25:20-26

This is the second principal cornerstone of the philosophy of capitalism.

We are also told that God “without respect of persons judgeth according to every man’s work” (I Peter 1,17). Applied to economic life this means that individuals should be rewarded on the basis of individual “work” or accomplishment, and not on their desires or the time consumed; and that there should be no arbitrary discrimination between persons in any aspect of employment or reward because of such factors as race, sex, age, or membership or non-membership in any organization or society.

3. Christ likewise approved in his parables the private ownership of property.

Matthew 25:14

Matthew 20:1

Matthew 21:33

Mark 12:1

Luke 20:9

As a matter of fact, the Bible records that some of the disciples retained property of their own (Matthew 10:9); and that women who accompanied the disciples kept their property or “substance” (Luke 8:3).

4. Christ quoted, with apparent approval, the property-owner who asked (Matthew 20:15):

“Is it not lawful for me to do what I will with mine own?”

But no owner of property should be at all complacent because Our Lord approved private property as an economic institution.

It must never be forgotten that to the Christian the possession of property or wealth must be subordinated to spiritual and ethical aims, and to a full sense of stewardship. Bishop Headlam well summarized it thus (“Economics and Christianity,” 1927):

“Christianity does not condemn wealth or the things of this world as an evil, but it says that always and invariably these things ought to be subordinated to the spiritual well-being and moral righteousness of the individual and the community.”

5. Profits based on efficient use of property are justified.

In the parable of the Talents, Our Lord not only specifically approved the earning of profits, but condemned the "slothful" servant who had earned no profit. (Matthew 25:26; also Luke 19:22).

6. Buying and selling are recognized as a part of every-day life. (Matthew 25:9-10).

Further supporting private business as proper we find that when Christ denounced money-changing and dove-selling in the Temple, he did not say that they were improper if carried on elsewhere in an honest manner. (John 2-16).

7. Competition is recognized as an ethically sound concept, in the conduct of business.

Thus we find in the parable of the Talents competition between the three servants and the giving of the greatest reward to the one who was most successful.

And let us also remember this admonition by St. Paul — "Know ye not that they which run in a race run all, but one receiveth the prize? So run, that ye may obtain." (I Corinthians 9:24).

8. Private contracts between individuals are recognized as proper. (Matthew 20:2, 13).

9. The renting of property to others is recognized as proper:

Matthew 21:33

Mark 21:1

Luke 20:9.

10. The relationship of employer and employee and the payment of wages are supported in the teachings of Christ:

Matthew 20:12

Luke 10:7

John 4:36

I Timothy 5:18.

11. Christ recognized interest as a proper return for the use of money:

Matthew 25:27

Luke 19:23

12. Family inheritance is recognized as just:

Luke 12:14

Luke 15:12.

(St. Louis)

The Goals of Capitalism

WHAT ARE THE economic goals for Americans desired by those who support capitalism?

The seven long-range goals which American industry believes can best be accomplished through utilization, development, and improvement of the free-choice economic system are —

1. Recognition of the individual person as the core of the national economy and national well-being.

The American economic system recognizes the individual as supreme; it declares that his well-being, and that of his family, must primarily depend upon his own wisdom and ability, and not upon the paternalism of an employer or a government. The government is recognized as the creature and the servant of the people, and not as master over them. Emphasis on the rights and privileges of the individual person is inconsistent with government control over the daily activities of the citizen, but it is entirely consistent with governmental restraint and regulation designed to prevent an individual or group from unfairly infringing upon the rights and privileges of others.

I believe that this emphasis on the free-choice economic system, upon the performance of tasks and the making of decisions by free individuals embodies the basic principles of the Christian religion. I agree with Berdyaev (*"Christianity and Class War,"* p. 60) that "there are absolute values, not of social origin but manifesting themselves in social life, which Christianity cannot neglect. Principal among them are the values of the human person as the spiritual center of life, and of freedom of spirit, conscience, thought, and creation in work. Social systems which misunderstand or deny these stand condemned by that fact alone."

The free-choice economic system, which I advocate, does recognize the "human person as the spiritual center of life," and as its economic center. It recognizes the vital justice and need of "freedom of spirit, conscience, thought, and creation in work." Because human beings are fallible, just because they are human beings, we do not have, perhaps never will have, 100% conformance in our daily economic life to these concepts. But we can, if we will it so and if we seek to practice what we believe, increasingly make our economic life more fully conform to our basic concepts. I confidently assert that no other economic system in its principles rests so greatly upon recognition of the human personality, with its need for expression and development; upon the preservation of human freedom,

and upon such prime concern in every way for the individual in its philosophy and incentives.

A free-choice capitalist economic system utilizes and develops materialistic instruments; but such materialistic features are recognized as but means to an end — that end being the recognition of the superior worth of the individual person, and the existence of increasing opportunity for the individual.

Socialism also utilizes and seeks to develop materialistic instruments; the difference is that the basic theory of socialists not only starts with but also ends with its emphasis on materialism.

Because there may be some sincere persons who question the accuracy of the foregoing statement, I submit this evidence —

(a) Engels, founder with Marx of modern Socialism, said:

“Beyond nature and man, there exists nothing.”

(b) Liebknecht, another founder of modern Socialism, declared:

“It is our duty as Socialists to root out the faith in a God with all our might.”

(c) Joseph Dietzgen, whom Marx called “our philosopher,” declared:

“We call ourselves materialists; hence we Social Democrats are atheists without religion.”

I would urge that British and American Socialists who are also Christians carefully study the philosophic sources of Socialism and discover for themselves its purely materialistic basis.

2. Preservation of the rights, freedoms, and opportunities guaranteed by the United States Constitution.

The existence of guarantees to the individual securing him possession and utilization of his own property, including the right to sell his own services without molestation, assurance that minorities cannot be arbitrarily oppressed by the majority, and protection of the rights of free speech, assembly, petition, and religion, are among the most valuable possessions of Americans. I almost said that these were among the most “cherished” possessions of Americans — but changed my mind, because to be “cherished” the existence and value of a possession must be known, and I fear that altogether too many people neither know nor understand the very real significance to them of the guarantees in the United States Constitution. Based upon such knowledge and understanding we should resolve with the poet Wordsworth — “We must be free or die who speak the tongue that Shakespeare spake.”

3. The right of each American to receive remuneration based on performance.

This means that individuals should have an opportunity to perform in accordance with their abilities; that arbitrary limitations of the opportunity to work should not be imposed by government, or business, or labor.

It means that employers must be able to, and should, employ, promote, and retain people primarily on the basis of their actual and relative ability and performance.

It means that the person who performs best should be paid best. And this includes profits to those who are best able to attract customers because of the nature and quality of their goods and services. Right here I point out that business success under capitalism depends on the ability to attract customers; that is, on the ability to produce and sell goods and services which people will buy. Business success under capitalism increases in relationship to increasing ability to satisfy the needs and wants of the average man. In other words, under capitalism, if production is not for use there is no profit — in fact, profits in the economic sense provide the best measuring stick of production for use.

4. A prosperous and self-reliant agriculture.

If agriculture is not prosperous, city-folks may not have enough to eat, and it is certain that farmers will have to drastically curtail their purchases of goods made in industrial factories.

If agriculture is not self-reliant, it must be subject to more or less direct regimentation, and loss of freedom in such an important segment of the national economy would sooner or later menace freedom in other parts of life.

5. Steady employment for all who are able and willing to work.

This means that there must not be large areas of unemployment in our economy, large numbers of people who can work and want to work but can't find work. To do this means that we must be able to find work for the 600,000 or more people who enter the labor market each year; we must remove barriers to investment and help make this employment possible; we must remove any business and union barriers to the entrance of these new people into productive employment.

But other things are also involved. For example, a man cannot arbitrarily put a price on his work and say that he will never work until he gets that price. Nor can he say that he will perpetually stay unemployed until he can find just the kind of job he wants.

This generalization also raises some pretty knotty problems which we can hardly settle today, but which need careful consideration. To illustrate,

should society be compelled to permanently subsidize an over-supply of labor in one industry which does not wish to change occupation? Should the government compel people to work for less than they want to receive — or, contrariwise, compel employers to pay more than they consider justified? Even more complex — is either an employer or a government justified in saying that people “able and willing to work” at age 65 must retire from work?

6. A chance for people to save.

This means that people must receive something above a bare subsistence level.

It also means that tax laws must not be so burdensome that there is neither possibility nor incentive to save.

It does not mean that people should be compelled to save, but simply that there should be an opportunity for most people to do so.

7. An incentive for people to invest their savings.

Here again we touch upon economic incentives. It is not enough for people to have a chance to save, nor even that they do so. There is no real gain to society as a whole if such savings are not invested. The investment may be in intangibles — in foundations for libraries and colleges, in philanthropic and church subscriptions. More direct and tangible benefits result when investment is made in such things as development of scientific and technological knowledge, development of new and better products and services, expansion of equipment to provide employment. In all of these fields investment will be restricted if there is substantial fear of international conflict or widespread lack of domestic confidence. (St. Louis)

Free Enterprise Advances Economic and Social Progress

HAS FREE ENTERPRISE capitalism been of net benefit or net harm to the average man? What are the facts and concepts involved in answering this question?

There are some who seem to believe that modern industry, capitalism, either created or intensified human misery. Since Samuel Slater founded modern manufacturing in this country right here in Rhode Island (also establishing factories in Massachusetts), let us ascertain whether the charge that the Industrial Revolution brought increasing misery to the masses of the people has any real justification.

Modern capitalism inherited poverty; it did not create it. Modern capitalism, with the factory system, may be said to have begun in 1760. These are the facts about the effects of the Industrial Revolution, which

inaugurated modern capitalism, as set forth by the historians (Buer, "Health, Wealth and Population in the Early Days of the Industrial Revolution"; also Clapham "Economic History of Modern Britain"):

1. The living conditions of industrial workers in the new factory towns were superior to those they formerly had in country or village. The family "could afford better food, more meat in particular, and better clothes." (Buer, p. 249)
2. "A better knowledge of the period anterior to 1760 is teaching us that unemployment, low wages, and child labor were no new phenomena at that date. . . . The factory, indeed, in the long run probably tended to mitigate these evils rather than to increase them." (p. 59) "Material conditions improved enormously for the people as a whole between 1760 and 1815." (p. 241)
3. "The Industrial Revolution, with the attendant changes in agriculture and transport, rendered the maintenance of a rapidly growing British population possible, without resort to the cabin-and-potato standard of life." (Clapham, p. 54)

To the sentimental lover of the past who, without historical justification, believes that modern working conditions are worse than before the Industrial Revolution, I direct attention to this statement made just ten years ago by John Masefield, poet-laureate of England, in his book "In the Mill", giving the story of his experience as a worker in a Yonkers, New York, carpet mill in the late 1890's:

"A few winters ago, I revisited the mill. . . . I have nothing but gratitude towards the mill; it gave me a square deal, with ample pay for a good day's work. . . . In the twenty-two months of my time there, I heard no complaint, and no growl from any day-worker." (pp. 132, 133, 134)

Let me give you an illustration from early New England history of the benefits of private property and free enterprise. After describing how the Governor and his Councilors for over two years had had complete control of the land and what could be produced on it in the Plymouth Settlement, Governor Bradford in his history written in 1650 declared: (Paget edition, Dutton and Company, 1920, pp. 115, 116):

"After much debate (in 1623) the Governor, with the advice of the chief among them, allowed each man to plant corn for his own household. . . . This was very successful. It made all hands very industrious, so that much more corn was planted than otherwise would have been by any means the Governor or any other could devise. . . . The failure of this experiment of communal service, which was tried for several years, and by good and honest men, proves the emptiness of the theory of Plato . . . that the taking

away of private property, and the possession of it in community, by a commonwealth, would make a state happy and flourishing. . . . Community of property (so far as it went) was found to breed much confusion and discontent. . . . If (it was thought) all were to share alike, and all were to do alike, then all were on an equality throughout, and one was as good as another; and so, if it did not actually abolish those very relations which God himself has set among men, it did at least greatly diminish the mutual respect that it is so important should be preserved among them. Let none argue that this is due to human failing, rather than to this communistic plan of life in itself. I answer, seeing that all men have this failing in them, that God in His wisdom saw that another plan of life was fitter for them."

I have before me an advertisement (Allis-Chalmers Company, 1950) headed "What Makes An Antique". It pictures a charming old New England — perhaps Rhode Island — kitchen with the old-spinning wheel, the pail and kettle and other kitchen utensils. Wonderful to look at — but would we like to be compelled to live with them today? How did these things get to be "antiques"? Partly just by growing old, partly by sentiment. But mostly, as the Allis-Chalmers ad goes on to say, "it's progress that makes antiques. . . . It's America's constant striving to better your good living that makes the conveniences of yesterday the antiques of today . . . the antiques you prize are really by-products of the highest standard of living in the world."

It is the spirit of free enterprise and personal responsibility, so eloquently set forth by Governor Bradford, which has helped to make all New England such a happy hunting ground for antique collectors. Antiques are truly a "by-product" of the economic progress flowing from free enterprise capitalism. (Providence)

Defects of the "Welfare State"

MANY WHO ARE critical of the results of free enterprise capitalism advocate something which they call the "welfare state." Who, indeed, can oppose such concepts, designed to provide a large and increasing degree of welfare for the maximum number of people, as the elimination of poverty, the reduction of inequality, better housing, provision for hardship?

Most of the desirable "welfare objectives" can better be accomplished under a free choice economic system than by collectivism, by permitting and encouraging aims and principles which will permit the development of a true "welfare society." A "welfare state" with Government regimentation

of the citizen will not promote such a "welfare society" but will actually impede it.

In support of this thesis I submit the following:

(a) A high and rising level of production is necessary for real "welfare" of the common man. The "welfare state" puts its emphasis on the distribution of what is produced rather than upon the production itself and can well result in more and more equal distribution of less and less.

(b) The essential goal of the "welfare state" is the redistribution of income. The inherent fallacy of redistribution by Government edict is that it is based on the theory that the primary basis for distribution of income should be the needs of the people instead of what they deserve. Those who believe in a free choice economic system believe in increased opportunity for people. We believe in the need for an equality of opportunity to demonstrate our unequal capacities and accomplishments. We believe that the essential justification of income distribution is the service rendered to society.

(c) Another goal of the welfare state is the achievement of economic stability. The fact is that we could have complete economic stability only if we tried to prevent change, and if we did try to prevent change we could not have progress. If we had aimed at economic stability fifty years ago, the automobile industry would not have developed because its development would have meant instability for wagon makers, harness makers and many others, and yet the automobile provided over six and a half million jobs for the one million it destroyed.

We would not have had the radio industry because its initial impact was a threat against the piano industry. We would not have the television industry because its initial impact is against the radio industry and the motion picture industry. We would not have the electric refrigerator because it lessened the demand for employment of icemen.

(d) The welfare state necessarily involves a set of "controls" by Government over all major aspects of economic life; for example, subsidies to some groups paid for by all, price supports of some products paid for by all consumers, and control over the kind of employment the worker must take. If you doubt this, let me just direct your attention to the following paragraph in the statement outlining the position of the British Labor or Socialist Government at the recent opening of Parliament:

"In order to defend full employment, to ensure that the resources of the community are used to best advantage and avoid inflation, legislation will be introduced to make available to my (King George's) ministers, on a permanent basis but subject to appropriate Parliamentary safeguards,

powers to regulate production, distribution and consumption and to control prices."

Note that these powers are not suggested or proposed to meet a temporary situation but to become "permanent." We ought to think a long time and think hard about any such proposal. Regardless of what we may think about existing conditions — and I think there will always be some things which each of us does not like — nevertheless, when controls over the citizen are proposed to be put on a permanent basis, we might well consider whether we might not be jumping out of the frying pan into the fire.

Controls, whether temporary or permanent, rest on compulsion by the state over the citizen. Perhaps we need more careful consideration as to whether we really need planning for competition instead of planning against it, because planning for monopoly and against competition is the essential goal of all of those who would seek to establish Government controlled stability rather than economic progress based on the changing desires of consumers under a free choice economic system.

(e) The danger of the welfare state is not that it seeks the welfare of the common man, for we all join in seeking that. But how are we going to get this increase in welfare for the common man? The danger is that the so-called "welfare state" will sacrifice advances in living standards in order to obtain stability; that it will, if applied in this country in the second half of the present century, eliminate the progress in living standards which has been attained during the first half of the century under — and because of — the free choice economic system which has prevailed.

There are some people who make proposals for change in an economic, social, or political system and when their idea is opposed naively say, "You submit a better plan." What they neglect to consider is that perhaps their plan is simply not as good as that which already exists. Moreover, those who assert that, if we do not have centralized economic planning by the government, we must have chaos because we have no planning at all, are unaware of economic facts. Actually, the government can plan for governmental direction of economic activity or it can plan for competition. I believe the government should so plan that it will protect and maintain competition through such things as sound antitrust, tax, and labor laws.

The basic problem involved in seeking to establish a "welfare state" by an omnipotent government was well set forth last year by the Commission on Culture of the United Church of Canada which declared (Report on the Church and the Secular World, U. S. Federal Council of Churches Information Service, December 23):

"Few thinking people of today would deny many of the presupposi-

tions of the 'welfare state,' but it ought to be pointed out that economic security which is guaranteed as a donation of the state to all people, whether they deserve it or not, is a doubtful procedure. Perhaps people are in most danger when they are most secure, and it may be that the search for security has been more productive of good than security itself." (Providence)

Is Socialism a "Middle Way"?

THE PRIMARY economic conflict in the world today is between those who believe in an economic system dominated by free choice and those who believe in an economic system dominated by controls by Government officials. Some very well-meaning people say there must be a "middle way" between a free choice economic system and Communism. They seem to believe that this economic middle way is found in Socialism. This is not so. It is true that Socialism and Communism use different methods to achieve their end but the ultimate economic aim of each is the same. Both have their root in the same prophets, Marx and Engels; both advocate the same governmental organization and operation of the means of production and distribution although one might achieve it faster than the other. Both advocate the same centralized economic planning and control of the economic choices of individuals. Both would abolish marketplace fixing of prices, wages, and profits; they would substitute the elimination of profits and governmental fixing of wages and prices.

In short, those who think that, in advocating Socialism, they are choosing some kind of a "middle way" between free enterprise and communism, are simply deluding themselves. They are, in fact, seeking the same economic end as the Communist but are seeking to obtain it in a milder manner. Communism and Socialism are identical in their end economic results. (Chicago)

Traditions and Values

TODAY WE OFTEN LOOK at the past and with the hindsight so common to all of us regret that things were not done differently.

It is, however, extremely important in appraising what has made progress in the past and may cause it again, to avoid a superiority of attitude which looks at things from the standpoint of the present without realizing the circumstances of the historical past and the relation of past development

to the future. A splendid example of this is supplied by Bernard de Voto in the Centennial (October, 1950, page 52) issue of Harper's. De Voto says:

"Nowadays we pronounce derisively such phrases as Empire Builder, Robber Baron, and Captain of Industry. . . . That an individual acquired \$50,000,000 from the public estate, or a corporation collected two hundred million, is in 1950 of no importance considering that both converted the uncaptialized public heritage into public wealth of which their take in profits was an inconsiderable decimal. Most of the Baron's wealth has by now, in one way or another, been returned to the public, and we have spent half a century canalizing the corporate wealth for public usage. Moreover, it is better that there are half a million family houses in Iowa than that the forests of Northern Wisconsin should still stand. What was the value of the land granted to the Union Pacific in Nebraska or to the Santa Fe in Kansas? On the books \$5 per section; in fact, zero dollars. . . . It is better that in 1950 these are mature commonwealths, that human society is productive there, that their farms are feeding us and others, than that they should be now, say, two-thirds of the way through the frontier stage of an American region, though with no speculative profit in the records."

I am reminded that someone said that when the Pilgrims came to this country a squirrel could have gone from the Atlantic seaboard to the Mississippi just by jumping from one tree to another. If the forests had not been destroyed, we could have had none of the expansion of roads, production and civilization, which has developed in the United States.

Many of us, in talking about the evils of past exploitation, completely fail, as Mr. de Voto indicates, to realize the economic conditions which existed in the past or the economic benefits which have accrued from acts which we may now rather cavalierly condemn.

I say to you that today the free choice economic system is the free system — the liberal system — of the world. Only a few days ago, I was talking to a lady from Turkey, an officer of one of the Turkish banks. I asked her, "What is the attitude of the Turkish Government in the field of economics?" and she stated that the new Government of Turkey is more "liberal" than its predecessor and is therefore relaxing the controls over business and the wage earner. That is the proper use of the term "liberal." It is the belief in more freedom for the individual.

The businessman of today is the true liberal in the sense that this term has developed in the 19th century.

The Communist Manifesto of the last century declared that "the proletarians of the world have nothing to lose but their chains." In what part of the world are the most people enduring hardship — either economic or political or mental? Certainly not in the United States or the other capitalist countries of the world. Certainly not in the United States where one great

labor leader has said his own union has recently consummated the best labor contracts in the history of the world, and where the claim that current Federal labor legislation involves "slave labor" is a falsity well known to all observers not directly interested in making that particular propaganda claim.

The free choice economic system implies choice based on motive. Motive brings in the moral law, the necessity of understanding what the moral law is and complying with it. That is a fundamental principle and one which relates primarily to understanding the obligations and actions of each individual Christian, and to a correct and assiduous teaching of true moral principles.

The tradition of capitalism or the free choice economic system is dynamism, contrary to Socialism, Communism or the welfare state, the advocates of reaction. The tradition of capitalism puts the welfare and personality of the individual above the State; makes the State the servant and not the master of man.

It is the tradition of capitalism that most individuals benefit most in the economic sense when they are provided with more things, and that this means selling to people, attracting customers. The welfare state, on the other hand — and also Socialism and Communism — attempts to provide economic benefits to people by ordering that things be done and by telling people what they may do.

It is the tradition of capitalism that the individual is supreme, and this is also the tradition of the Christian Church. (Chicago)

Ethical Values in Business

I HAVE MADE a special point of talking with several elderly people still active in business who were engaged in business in the United States around the turn of the century. Almost without exception they are agreed that the standards of ethical conduct in business and other aspects of economic life in this country are far higher now than they were in 1900. I shall not elaborate upon this but I do hope that some of our serious students of economic and social history will make a real and intensive study and report upon this particular subject.

The very development of business activity has a tendency to bring about better ethical practices in business. Thus, after a rather critical survey of "business morality" Dr. N. S. B. Gras, professor of Business History at Harvard, concluded by observing ("The World Today," published by Encyclopedia Britannica, April, 1936):

“A gradual increase in business among men—that is, an increase in the dependence upon buying and selling—heightens a sense of honesty and integrity. This is because the very life of exchange in the long run depends upon these virtues. It is in the interest of businessmen to inculcate moral principles so that they may not be cheated or robbed. Businessmen depend upon a moral underpinning; the non-business world may get along by the use of force.”

Business in general has become increasingly conscious of the needs and rights of others — a first prerequisite in the development of a true ethical sense since too many of us are inclined to emphasize our own rights without equal realization of our own duties and responsibilities. In 1923, for example, the National Association of Manufacturers declared that “one of the outstanding needs of industry at this time is the presentation, to managers and workers alike, of the fundamental principles of economics, of government, and of human relations in a Christian civilization.” And in 1937 the NAM established a Committee on Industrial Practices which formulated detailed recommendations setting forth principles of conduct which should be practiced by manufacturers in their relationships with customers, suppliers, competitors, employees, stockholders, creditors, local community and the government. The NAM committee urged every business enterprise to adhere to “well tested and high principles of conduct” in such relationships. It then stated that “because anti-industry propaganda seeks to magnify every case of abuse and to make the public believe that questionable practices are typical of the entire private enterprise system, it is the obligation of every industrial enterprise to survey its business practices, to analyze points of weakness and points of strength, to demonstrate its capacity for change where necessary, and to adopt and maintain high ethical standards in all its operations.” It was stated that “sound industrial practices work justly and efficiently for the public welfare.”

The Association committee summarized the best business practices for properly dealing with each of the groups just mentioned as promoting and providing —

1. Fair and equitable treatment to every CUSTOMER, on a basis profitable to both the seller and buyer.
2. Fair treatment to every SUPPLIER, extending the same consideration to the supplier as the purchaser wishes to receive from his own customers.
3. Cooperation with COMPETITORS, within legal limits, on a basis that will assist each unit in the industry to operate under high business standards and enable the industry as a whole to serve the public effectively and economically.

4. A sound and well defined labor policy suitable to the problems of the particular company, community and industry, providing free interchange of ideas between management and its EMPLOYEES on all matters of mutual interest, adequate opportunity for consideration and adjustment of all complaints, maintenance of good working conditions, and fair wages for work performed.
5. Recognition that the property of a corporation represents investments and risks of the stockholders, and that the business, therefore, should be conducted so as to render sound service, protect the principal, and produce a fair average profit, with consideration at all times for the human factors involved, and for the public interest.
6. Preservation of credit standing and good-will by fair and equitable treatment of CREDITORS.
7. Demonstration that business is a desirable "citizen" of the LOCAL COMMUNITY in which it operates.
8. Cooperation with and support of all the agencies of GOVERNMENT in the exercise of their legitimate functions.

Simply as an illustration of the manner in which the Association committee dealt in detail with these problems I direct your attention to the fact that as concerns the obligations of the manufacturer to his customers consideration was given to very specific aspects of such subjects as merchandising plans, prices, services, assistance to customers, and development and improvement of products.

In discussing the obligations of the manufacturer to the local community where his plant is situated it was stated that "the manufacturer should endeavor through direct management action and by the activities of individual officers to make his company a desirable industrial and public 'citizen' of the community or communities in which he has plants." The manufacturer was urged to maintain contacts with community leaders, with particular mention of clergy, teachers, lawyers, doctors, government officials, welfare organizations, and newspaper owners and writers. Industry, I can assure you, recognizes that it must serve the public interest and has developed a constructive attitude based on sound ethical ideas showing appreciation of its responsibility to society as a whole. (Lewisburg)

Ethical Problems of Business Management

BUSINESS IS COMPOSED of individual people. The managing directors of business, for example, have specific problems of their own which very often arise in the daily conduct of a business enterprise. The understanding of Christian ethics can be of great help to business executives in solving daily problems. In 1947 and in 1950, the Federal Council of Churches — since

superseded by the National Council of Churches — held economic conferences which endeavored to survey the whole realm of economic questions. There was a great deal of criticism of the deliberations and conclusions of these meetings. In February, 1952, the National Council of Churches inaugurated at Buffalo an entirely different kind of conference which I believe has great promise for the future. This Buffalo conference dealt with the general theme: "The Christian and His Daily Work." For example, a group of labor leaders were present and they got together by themselves and considered for two days the ethical problems which confronted them in their daily activities. The same thing was done by groups of educators, farmers, government executives, professional people, health workers, housewives, insurance executives, lay church executives, scientists, salesmen and business executives. The business executives expressed their worry and concern over ethical problems such as these:

How to weigh long-run and short-run considerations—for example, when dividends are earned, should they be paid immediately to the stockholders to whom they belong, or, from a long-run standpoint, should 50% or 60% or more be retained in business?

How to weigh conflicting claims of stockholders, management and workers?
Fairness in making promotions.

Problems involved in preparation of corporate income tax statements.

How to help mass production workers feel a greater satisfaction in their jobs.

What justification is there for contribution of funds belonging to a business to educational, religious or social welfare causes?

Compulsory retirement of either executives or workers at some set age such as 65.

Are ethical problems involved in determining the price of a product?

What should the executive, who opposes the principle of discrimination in employment, do about hiring members of a minority group if other workers threaten to disrupt operations by refusing to work with these people?

What can be done about getting the company viewpoint to the workers and the workers' viewpoint to management?

What can be done about stable employment?

In negotiating with people is it ethical to ask for more than you really expect if you believe some sort of bargaining or horse-trading will be carried on?

Questions and problems such as these pointed up clearly some of the difficulties faced by the industrial manager who wishes to use Christian ethics as a guide in making decisions. In short, what should the industrial manager, in an effort to apply his Christian ethics as a guide in the making of decisions, do that is different from what might be done by the industrial manager who lacks an understanding of the principles of Christian ethics? No categorical answer for all types of problems can be given; the problems

are often complex and not too easy to answer on a basis of either economics or ethics.

The greatest social service the Church can perform is to instill in its individual members a fine sense of religious "vocation"—a feeling of pride in one's daily occupation, a feeling that the task is worthwhile and should be done well, a feeling that in all aspects of our daily life there is an opportunity and will to apply the best principles of ethics, morality and religion. (Lewisburg)

Coercion and Ethics

ANOTHER SERIOUS ETHICAL PROBLEM confronting the conscientious business executive is the weighing of coercion and freedom. For example, is it ethically right to coerce workers into joining a labor union if they, for reasons of their own, do not desire to belong to a labor union, and to work under a closed shop agreement — if the price of not so coercing them is the destruction of jobs for perhaps hundreds of other workers? And can this matter of coercion be measured by counting noses? If there is even one qualified worker who does not belong to a union and who does not wish to do so, does the employer have moral justification for depriving him of work if 999 other workers choose to belong to a union and are perfectly satisfied to work under a closed shop agreement?

Now let us suppose that 450 out of the 1000 workers say they do not wish to belong to a union; does the matter then become different in principle or only in degree, in neither or in both?

These, I submit, are serious ethical problems entirely apart from any consideration of the economic aspects involved in the question of monopoly of labor supply, collusive agreements between employers and employees and the effect upon costs of production and distribution and the prices which consumers pay. My own belief is that monopoly of the supply of labor is as uneconomic and anti-social as any monopoly in production or distribution.

Another serious consideration for the individual industrial manager is this — if he personally believes that at all costs the principle of providing employment to capable and qualified workers regardless of their membership or non-membership in the union should be preserved, does he as an individual have the right to make this decision if there are thousands of stockholders of a corporation whose earnings and dividends might be seriously affected if production were stopped for a long period because of adherence to this principle of non-discrimination. (Lewisburg)

Compulsory Union Membership

INVOLVED IN BOTH collective bargaining and legislation is the whole question of the closed shop, that is, compulsory membership of a worker in a labor union, this being necessary to obtain employment regardless of whether he wishes to belong to the union or not. Since 1903 the NAM has upheld the opposite principle of the open shop in which workmen can be free to choose for themselves whether to belong to a union or not. This principle fully supports the thesis enunciated in the famous Encyclical of Pope Leo XIII who, after upholding the right of workers to belong to associations designed and operating for their actual betterment, then declared —

“There is a good deal of evidence which goes to prove that many of these societies are in the hands of invisible leaders, and are managed on principles far from compatible with Christianity and the public well-being; and that they do their best to get into their hands the whole field of labor and to force workmen either to join them or to starve.” (Rome)

Ethics of Closed Shop Philosophy

I BELIEVE it is entirely proper to consider whether an employer acting on his own initiative or as a representative of the stockholders and directors of a company should accept demands for establishment of the closed shop if such acceptances would, in effect, support the anti-ethical positions of labor union leaders. Let me cite to you just what I mean. President Gompers of the American Federation of Labor declared in a New York legislative commission:

Question — If all the trade unions in New York engaged in the building trades agree with all the employers engaged in the building trades that the rate of wages for a plasterer for the year should be nine dollars, it would be a gross breach of contract for the employers, because of a depression in business to try to get them to work for eight dollars, wouldn't it?

Answer — *Yes, sir.*

Question — Wouldn't it be an equal breach of contract on the part of the union and its members to take advantage of an activity to try to get ten or twelve dollars in the face of its contract to work for nine dollars?

Answer — *No.*

In further testimony before the same public body President Gompers said:

Question — Suppose an employer begins a suit to enjoin a labor union in connection with a transaction in which the employer thinks he is in the right and the union is in the wrong, and one of the members of the union makes an affidavit on request as to the facts as he understands them, do you think that is the proper subject of a fine being imposed against that member?

Answer — *If it is done, if the affidavit is made to help the employer in his contention against the union, I think it is wrong.*

Question — But suppose the employee is telling the truth.

Answer — *That may be.*

Question — You don't think he should assist in the administration of justice by telling the truth?

Answer — *I do not think he should assist the employer in a contention with the Union of his trade or calling.*

So far as I know, the American Federation of Labor has never repudiated this philosophy of union honesty and technique expressed by Mr. Gompers.

Now let me cite Mr. Green, successor to Mr. Gompers as chief executive of the American Federation of Labor. He said —

“It is the world's experience that men will not voluntarily surrender their power.”

and also that

“It is inherent in man to abuse uncontrolled power.”

Sound observations these — yet Mr. Green could also declare —

“The organized labor movement cannot be limited.”

In my opinion no employer should demand that an employee must belong to a private society in order to get or keep a job but should leave to the worker himself the question of whether he wants to belong to a union.

Individual free will and free choice are very real and very vital and should be protected for the individual worker as well as for other people in this country. The closed shop is a monopoly shop. Its underlying philosophy restricts instead of enlarges the freedom of the individual worker. (Lewisburg)

Guaranteed Annual Wage

IN ANOTHER controversial, but as yet non-legislative, field of labor relations we find the demand of some unions for a form of guaranteed annual wage — in reality a guarantee of a certain period of employment or compensation

(in addition to any unemployment insurance benefits) if such employment is not provided.

Walter Reuther, president of the Congress of Industrial Organizations (CIO), is one of the chief protagonists of the annual wage. His predecessor, Philip Murray, declared in 1940:

"Experience to date raises doubt as to whether annual wage plans can be extended over a wide area of business activity, for basic to their success is the stabilization of operations."

While employers can do, and many have done, a great deal to regularize their own production operations, the possibilities are very definitely limited by such factors as fluctuations in the general level of all business activity, fluctuations in a particular industry, effect of new products upon existing products, and, in some industries, by style factors. The greatest limiting factor of all, however, is the desire of consumers to buy a particular product in a particular volume at a particular price at a particular time. The consumer is king and can be neither controlled nor regulated by the business executive.

Thus John L. Lewis, when president of the CIO said in 1938:

"The circumstances affecting the average employer of labor in competition with others in his industry are such that it is impossible for him to guarantee the payment of so much a year to his employees, because circumstances may result in his not being able to operate his plant the requisite number of days. . . . I do not see how an employer, whether he is in the contracting business, manufacturing business, mining business, or what not, can undertake to pay so much a year except as he has a rather constant assurance of production." (Rome)

Business Operations and Government Ethics

I SHALL NOW DISCUSS with you for a little while some special problems in ethics which affect the operations of business.

We shall consider first some aspects of activities of Government in this connection. In the taxation field, for example, when a business buys a machine or puts up a plant, it can make allowance for depreciation in the value at so much per year. If as a result of inflation — and this has certainly happened in recent years — it would cost twice as much to replace a new machine or a new building as can be accumulated through the depreciation allowance: is it really ethical not to make allowance for the higher replacement cost?

Again in the taxation field, we have the very basic fact that when the

investor puts his money into industry, he foots the entire loss if the enterprise fails but has over 50% taken away from him if the enterprise is successful. We have had a great deal of talk in Washington and elsewhere about the evils of gambling but this "Heads I win, tails you lose" philosophy laid down in the Government tax laws might also bear a little scrutiny.

Take another case: Is it really ethical to tax income when it is earned by a corporation and again when the corporation pays out the same money in dividends to the stockholder?

Consider again the ethics involved in attempting to make independent agencies established by Congress to carry out policies enacted by Congress subordinate to the policies and views of the Executive Branch of the Government. The Federal Trade Commission, the Inter-state Commerce Commission and the Federal Reserve Board are outstanding examples of where such attempts have been made during the past quarter of a century. (Lewistown)

Incentives and Economic Progress

MAXIMUM ECONOMIC progress results when consumers have choices to make and can exercise them in their purchases; when workers can move from one job to another, when investors can decide where and at what time to invest.

There must be incentives — a belief that purchase of a particular service or item of merchandise will be of benefit in some way to the individual or his family; a belief that better work will bring steadier employment or better pay or both; a hope that profits will be the result of a new or continuing investment.

The creative urge is a powerful one. How can we best allow it to function so that frustration can be avoided? The free choice economic system can do this better than can compulsion. But we can do even better than we have, by placing more reliance on incentives in every field of economic life.

When free choice is eliminated, we have government dictation.

When economic incentives are eliminated, we have economic and social stagnation, or even retrogression. (Providence)

Profits A Measure of Service

SOMETIMES WE ARE told that production for profit is basically wrong. Certainly the primary function of industry is to produce goods and services

for use. The real question is whether profits promote or impede such production for use.

Profits, in fact, show whether products actually were for use or not. If goods and services are not wanted for use, people will not buy them and there will be no profits. Profits measure the degree of success in producing things consumers want.

From an economic and social viewpoint, profits serve these specific purposes:

1. Profits — or, rather, the prospect that they can be earned — provide an inducement to investment, the exploitation of resources, and the employment of people. Oh — did I use a bad word, justifying “exploitation?” There has been a lot of misunderstanding about the word — it can be given a bad meaning but in the proper sense “exploitation” means utilization and development. I cite you governmental support for this. Last August the Banking and Currency Committee of the United States Senate in advocating a provision in the Defense Production Act of 1950 said (Senate Report No. 2250, 81st Congress, 2nd Session, p. 19) that in certain cases large shortages “in certain essential metals, minerals, and raw materials” would occur where there were “insufficient incentives to producers to exploit available resources at home and abroad.”

2. Profits attract effort from obsolescent or less serviceable products and enterprises to new ones; they stimulate research and invention.

3. The prospect of profit offsets the possibility of loss. Restriction of profit decreases the amount of risk that enterprises will undertake.

4. Profits attract competition, and this serves society by bringing new or better goods and services, and also a larger supply of them.

5. Profit continuance — or prospect of it — helps to stabilize employment in a company.

6. Public rejection of — or failure to buy — the goods or services of an enterpriser will cause him to give way to one who appeals more to customers, or will cause him to review and revise his own product or service so that it will attract customers. In either way, society as a whole is the gainer.

7. When there is free competition, profits help to measure the relative ability of different enterprises to meet a public demand for goods and services. Naturally, under competition some companies make more profits than others, and many actually suffer losses. Yet taking all corporations in the country, after they pay their taxes and after adjustment for changes in inventory values, the profit in 1949 on each dollar of sales was 5.3 cents. In other words, if all profits had been eliminated, you might have been able

to buy a dollar article for 95 cents. For myself, I don't believe this five cents is too much for society to pay for the benefits it gets from competition. In fact, I don't know if the profit margin has been enough to attract sufficient funds to provide future employment for the young men and women leaving our schools each year. (Providence)

Results and Reward

I AM CONVINCED that the average person wants a return or reward for himself based on the results secured by his efforts. He does not want hand-outs from anyone. He wants an opportunity to earn his own way and he believes that the individual who does most should receive most.

Here, too, there are several observations which may appropriately be made. Either employees or employers who fail to recognize the relationship which should exist between productivity and wages are economically backward. I don't know that I would go this far but it is reported that in some continental countries government decrees prohibit wage increases which are unaccompanied by increased productivity. (Lever Bros. report in London Times July 28, 1950)

The Fabian Society pamphlet previously quoted declares: "There is no escaping the unpleasant fact — only fully recognized by the Trades Union Congress after the shock of devaluation — that an improvement in real wages depends upon productivity being stepped up sufficiently to provide a material basis for it." (Page 6)

I firmly believe that individual initiative and creativeness will tend to be impaired if not destroyed and hence society itself will be the loser if we fail to recognize the economic justification and even necessity for superior reward for superior results.

This applies in the field of economics to management as well as to factory workers. Professor Elizabeth E. Hoyt of Iowa State College declared recently: (The Scientific Monthly, February, 1951) that "critics of our productive system tend to underestimate the imagination and courage, the ability to organize, to integrate, and to keep track of detail, that are required to build and operate a productive enterprise." (Indianapolis)

Private Property and Its Benefits

THE LAST TANGIBLE aspiration of people which I wish to mention at this time is the desire for ownership or possession of things. This desire for ownership or possession is due to two basic human instincts — the desire to

have some evidence that labor or effort has been worth while, and secondly, the feeling of security which is the result of ownership and possession. This feeling of security is not only for the individual himself but is related to the welfare of dependents. Private property, moreover, should confer not only rights to its owners but also obligations, a true sense of stewardship.

In the United States we have developed a real "Share-the-wealth" plan under which the ownership of the business mechanism is widely distributed through ownership of shares in business firms. The result is that some nine million separate individuals participate as owners in this "Share-the-Wealth" program, a system which has worked over many years and with increasing numbers of participants.

Lest it be thought that the benefits of accumulations of capital represented in the ownership of property are confined only to the owners of such property — even though there may be millions of them — I quote from a report prepared for the Federal Council of Churches in 1922. (Robert W. Bruere, "The Coming of Coal," p. 16). This report said of the coal industry that "the acquisitive instinct succeeded in piling up a vast permanent capital which was enjoyed by a large proportion of the human race." (Indianapolis)

Monopoly and Competition

WE MUST recognize the value of competition and the dangers of monopoly. In doing so, we must recognize the needs to forbid monopoly and, even more importantly, monopolistic practices — but should distinguish between size and monopoly, and should not penalize success won in legitimate competition. It is no more logical to penalize business success in legitimate competition — that is, obtaining more customers who voluntarily purchase particular products and services in preference to others — than it would be to say that one Church in a community must not have more parishioners than some other, that a successful preacher and pastor shall be limited in the number of people to whom he can preach and minister, that a fixed limit shall be put on the number of members a local or national Church will be allowed to have — perhaps even that the proposal for formation of a National Council of Churches through federation of eight or more Church groups should be forbidden as a "monopolistic conspiracy."

"Absurd" you say of such ideas; of course they are. But let me assure you that they are no more absurd and unsound than the efforts being made to penalize success in business.

And let me further say that if and when government restricts freedom and success in one field of life, there can be no assurance that at

a later date some other field will not be "moved in on"—especially if it should have courage to speak up in opposition to that which it considers wrong.

One more thought about this subject of competition. Some of my good friends say—"Competition is the law of the jungle. We should substitute cooperation."

Competition is in some aspects the "law of the jungle." It is also the "law of economic progress." The thing to do is for government, representing all the people, to provide fair "rules of the game," including prohibition of monopolistic practices, for the conduct of competition, instead of seeking its abolition.

As for "cooperation," how could any intelligent person oppose this basic concept? Every partnership is a form of cooperation; so is every corporation with two or more stockholders.

Present-day advocates of some particular form of cooperative effort in either production or distribution act as if they had a monopoly on the very idea of "cooperation." To my mind there is no reason at all to oppose any type of "cooperation," so long as it can stand on its own feet, without governmental favor or subsidy, and demonstrate that it is economically as good as or superior to other forms of economic activity.

But I do not want to say that government, representing the people as a whole, should not put limits on the concept of "cooperation." Businessmen could get together or "cooperate" against the public interest, and that is forbidden by the anti-trust laws. These laws should also prevent any combined efforts by labor union groups against the public interest—including collusive agreements between unions and groups of employers, such as we have seen in recent years in some cities. (St. Louis)

Inflation

HISTORY OF THE United States and other countries alike reveals that wars are the chief cause of inflation, and this is true also of periods of partial mobilization such as has resulted from our participation in the United Nations intervention in Korea. This inflation arises primarily because the Government feels it necessary to divert a substantial portion of total production to the defense effort and thus reduce the supply of civilian goods available, at the same time that effective purchasing power in the hands of civilians is increased. This results in a disparity in the supply of goods and services on the one hand and the supply of money on the other, with the result that prices tend to be forced up. This presents a problem for every

employer faced with rising costs and for average housewives and wage earners also faced with rising costs.

There are some who say that the primary remedy for this must lie in wage and price controls. There are others who believe — and on the whole, I think, soundly — that wage and price controls deal primarily with the symptoms or results and not with fundamental causes. The best method of dealing with fundamental causes of inflation is to make every effort to increase production; to meet the rising defense costs in the mobilization period by increasing taxes, by reducing every unnecessary non-defense expenditure, by adding no new non-defense expenditures, by getting 100¢ of value for each defense dollar spent; by curbing bank credit; by selling new government securities, insofar as possible, to private investors instead of to banks; by curbing credit to the extent necessary; by allocating scarce materials in accordance with military requirements; and by recognizing that wage increases not based on rising production contribute to inflation.

By doing these things, we can help maintain the value of the dollar and thus protect the value of savings deposits, the value of bonds, the value of insurance policies and the value of pensions or retirement plans in which millions of public and private employees, school teachers, clergymen, war veterans and others are direct participants together with their families. (Indianapolis)

Stability and Progress

THE FINAL PROBLEM I wish to mention which affects fulfillment of individual aspirations is the apparent conflict between the desire for stability and the desire for progress.

Economic progress comes about through experimentation and the taking of risks. When experiments are made and risks are taken, some who participate are successful and some are not. This means that for many individuals involved, instability results, and yet that the great mass of individuals are the beneficiaries of the resulting progress in supplying new and better goods and services to more and more people.

Stability is in many respects an older concept than is progress. The people of the western world as a whole revolted in recent centuries against the stability of the past, and through the Industrial Revolution and accompanying political and social changes achieved progress and advancement. Today, on the other hand, we find in many parts of the western world an increasing yearning for stability.

The paradox is that we find in the underdeveloped countries of the

world a desire to slough off their past low level stability and to seek change and progress at an increasing tempo. These concepts involve great philosophic, economic and indeed moral issues and it could well be that one or more church conferences could with benefit to all devote considerable time to their exploration.

It is not, in my opinion, a fatal or sweeping indictment of our private enterprise system to recognize that it has been characterized and distorted at times by instability. Certainly, our system of economic activity has enabled more people to enjoy a higher standard of living and a greater degree of security than has been the case under any other economic system. Abuses, malpractices, and misunderstanding of the consequences of economic actions and events sometimes have checked our economic progress or have brought about periods of regression, but there is no evidence that any other system of economic activity is so foolproof as to avoid such occasional periods of instability. Moreover, there is clear evidence that no other system has yielded such tremendous net gains to its people over the years.

A static economic system would bar both change and progress and thus would make it impossible to have a dynamic economic system. If we are willing to admit that we have reached our limit, that we can advance no farther — then indeed we would have complete stability. Economic stability is a goal for the despondent. Economic progress is a goal for those who believe better things can and do lie ahead. (Indianapolis)

Booms and Depressions

SINCE A STATIC economic society would bar both change and progress, I assume most of us would agree in preferring a dynamic economic society. One of the inevitable handicaps of such a society is that changes occur, and such changes include fluctuations in business volume and employment — one of the prices we must pay for progress. Over thirty years ago I taught a university class in “business cycles,” and I have studied the subject ever since. After studying the history of such cycles I am convinced of these three things —

1. During nearly 2,000 years business cycles, especially as regards their bust or depression phases, have tended to become less severe in their impact — with the exception of depressions, such as that starting here in 1929, the causes of which, in the opinion of competent observers, trace back to the dislocations of previous wars — wars, it scarcely needs to be said, are

the responsibility of society as a whole, and not of the business system itself.

2. The immediate causes of most inflationary booms, which result in subsequent busts, are credit expansions, which are based on psychological factors; and the immediate causes of the beginning and ending of most busts are also psychological in character. In other words, they cannot be accurately predicted by any purely economic standards. Since the psychological factor is so dominant in the beginning and ending of an economic bust, it is important to point out that among the psychological factors involved are uncertainty and fear by individuals as to government attitudes and policies.

3. Wise and cooperative policies by government, business, agriculture, and labor can do a great deal to reduce both booms and depressions to manageable proportions, avoiding either extreme inflation with its bad effects on the purchasing power of the dollar or extreme deflation with its bad effects on business operations and employment. (St. Louis)

Free Enterprise Balance Sheet

IN CONSIDERING this whole question of "Freedom of Enterprise and Social Controls," it may be desirable at this point to take a sort of balance sheet of free enterprise capitalism:

On the debit side we have these:

1. We have business cycles with their booms and busts;
2. We do not have dollars of stable purchasing power;
3. Many people live in poverty;
4. Some people have great riches while others are poor.

Now let's look at the credit side. We find among others:

1. Capitalism increases the production of wealth, and as a result average standards of living are higher than ever;
2. Poverty was not created but inherited by modern capitalism, which has substantially reduced poverty in the less than two hundred years of its existence — has lessened the spread between rich and poor, and has made yesterday's luxuries today's necessities;
3. Accidents at work have been greatly reduced, especially during the last forty years. The NAM sponsored workmen's compensation legislation as the sole payment for accidents before the A.F. of L. did.

4. Child labor has steadily decreased since 1890, particularly because the increasing use of power machinery in industry made the labor of children unnecessary in industry and increases the need for widespread education which conforms to individual capacity.
5. Capitalism provides flexibility and adjustments to changed conditions, including new methods of production and distribution, to a far greater extent than any other economic system.

As for booms and busts, and the matter of stable purchasing power of the dollar, it may be observed that aside from the effects of war and defense periods, which are the direct responsibility of society as a whole, there is good reason to believe that real progress can be made within the framework of a free economic society.

Finally, I observe that the free enterprise system brings great social values. The economic progress under free enterprise has brought great social progress — and as then Governor Lehman of New York pointed out in 1932, social progress cannot go faster than economic progress. Freedom is perhaps our greatest social asset and here free enterprise performs a great part in demonstrating the results which can be achieved for all of us by free management and free labor, and by its emphasis that an attack upon free enterprise menaces the continuance of free worship, free speech and free elections — and that the reverse is also true; freedom is freedom and an attack upon any one of its major facets endangers the others. (San Francisco)

Free Enterprise Appeal to Youth

IN PROVIDING for our increased population and for rising standards of living for our whole population, we must have both greater total production and greater productivity per individual.

High and increasing productivity depends on —

Free choice
Competition, and
Incentive

A system which depends on these is a system for youth and for all people with a youthful outlook. Critics say that the economic system of the United States is a system of the past which must be thrown away. That is not true! What we need today for the assurance of future progress, both economic and social, is people who are conservative in wishing to preserve

basic principles and good practices but who are progressive in wanting to use these principles and practices to go ahead, to develop new techniques, to be dynamic in both method and accomplishment. The progressive conservative can help to build a continually better United States for all of us and for our children and grandchildren.

In the economic field he can do this by and through the free choice economic system, which is a system for youth and for people with youthful outlook because it involves challenge. It involves the taking of chances, with the hope of profit from success present to offset the risk of loss.

Competition is the driving force of the free choice economic system in the United States and competition itself requires nerve, courage, adaptability, and the taking of chances — all of these primarily attributes of youth.

A competitive free choice economic system is also a system for youth because it involves flexibility and change, and the opportunity to participate in helping the system to operate better and provide more goods, services, and satisfaction.

Under the free choice economic system those succeed who meet the goal of youth in providing more service to people through filling their needs and desires best. To all with youthful minds and spirit it provides a feeling of satisfaction in the successful operation of filling station, factory, shop, mine and farm. It is both a challenge and an opportunity to the youth of today and tomorrow. (New York)

Program for Public Welfare

I NOW SUBMIT for consideration a ten-point program of basic policies to improve the welfare of the people and to preserve the essential principles of individual choice and freedom.

1. Recognition of the inseparable relation between free worship, free speech, free elections, free service and free enterprise.

2. Encouragement of joint consideration of economic and social problems by various groups, but avoidance of government compulsion which would eliminate freedom of choice by workers, business executives, investors, farmers, and housewives.

3. Resistance to encroachment by central government units upon local and state government — against attempts to take government further and further away from direct supervision by the individual citizen. If good government can't begin at home, we can't look for it elsewhere.

4. Recognition of the vital link between successful effort and reward — the value of economic incentive — more pay for more work — more profits for more performance — as a factor in accomplishing the economic progress which must be the foundation of social progress.

5. Preservation of the value of the dollar of the wage-earner, investor, farmer, professional man, and retired person, by prevention of inflation.

6. Rejection of government deficits as an easy, normal and even desirable national way of life.

7. Tax laws which permit savings and provide an incentive to invest them. It should be recognized that there is essential inequity in taxing earnings when made by a business and again when paid to the individual shareholder.

8. Labor laws which permit, encourage and protect cooperation between management and labor; which protect both against intimidation, discrimination, and unfair practices.

9. Full, fair, and impartial enforcement of anti-trust laws, and their application to practices of both business and labor. Monopolies and monopolistic practices should be prevented, and there should be no penalization of success in competition.

10. Endeavor by international agreements to establish fair rules of international trade, the protection of private international investments, and the prevention of cartel agreements among producers of different countries to restrict production, fix prices, or allocate markets. (Detroit)

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